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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
✓ QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992.

OR

_____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 0-15113

VERITEC INC.
(Exact name of restraint as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation)

95-3954373
(IRS Employer Identification No.)

21345 Lassen Street, Chatsworth, California 91311
(Address of principal executive offices, zip code)

(818) 407-8765
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days Yes ✓, No _____.

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date 8,434,679.

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VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

BALANCE SHEETS

ASSETS		(unaudited) MARCH 31, 1992	JUNE 30, 1991
Current assets:			
Cash	$	18,889	26,708
Inventory		9,033	-
Accounts Receivable		-	30,927
Prepaid expenses and other current assets		14,891	2,730
Total current assets		42,813	60,365
Property and equipment, at cost:			
Equipment		186,612	154,727
Furniture and fixtures		57,634	57,005
Leasehold Improvements		12,985	-
		257,231	211,732
Less accumulated depreciation		187,143	183,376
		70,088	28,356
		112,901	88,721
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Notes payable	$	47,500	37,500
Accounts payable		181,101	213,477
Accrued expenses		81,531	28,295
Accrued Interest		103,229	59,665
Deferred compensation		121,893	175,722
Total current liabilities		535,254	514,659
Convertible Subordinated Notes payable		770,000	350,000
Shareholder' equity (deficiency) :			
Preferred stock, $1 par value, None issued.			
Common stock, $.01 par value. Authorized 20,000,000 shares; issued 16,510,550 shares at March 31, 1991 and 15,798,550 at June 30, 1990, respectively		169,332	152,920
Additional paid-in capital		3,161,760	3,004,341
Deficit accumulated in the development stage		(4,523,445)	(3,933,199)
Net shareholders' deficiency		(1,192,353)	(775,938)
	$	112,901	88,721

VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF REVENUES AND EXPENSES

(Unaudited)

	THREE MONTHS ENDED MARCH 31,		NINE MONTHS ENDED MARCH 31,	
	1992	1991	1992	1991
Revenue $	-	7,384	4,850	116,098
Cost of Revenue	-	3,642	485	3,642
Gross Profit	-	3,742	4,365	112,456
Expenses:				
Research and development	30,921	62,656	80,707	127,393
Marketing and advertising	67,745	16,669	169,317	50,746
General and administrative	118,071	84,363	296,473	245,179
Other expense (income)	19,374	19,625	48,114	38,145
Total costs and expenses	236,111	183,313	594,611	461,463
Net loss	236,111	179,571	590,246	349,007
Net loss per common share	(.01)	(.01)	(.03)	(.02)
Weighted average number of common shares outstanding	16,943,506	16,016,105	16,852,869	15,870,010

See accompanying notes to financial statements.

VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH
(Unaudited)

	THREE MONTHS ENDED MARCH 31,		NINE MONTHS ENDED MARCH 31,	
	1992	1991	1992	1991
Cash flows from operating activities:				
Net loss	$ (236,111)	(179,571)	(590,246)	(349,007)
Adjustments to reconcile net loss to net cash used by operating activities:				
Depreciation and amortization of property and equipment	2,812	6,724	9,661	24,224
Common stock issued for noncash consideration	159,455	65,900	173,831	65,900
Decrease (increase) in prepaid expenses and other current assets	(17,181)	(11,999)	9,733	(30,668)
Increase (decrease) in accounts payable and accrued expenses	30,560	39,313	64,424	57,352
Increase (decrease) in deferred compensation	(103,000)	47,744	(53,829)	60,417
Increase (decrease) in deferred revenue	-	-	-	(83,714)
Total adjustments	72,646	147,682	203,820	93,511
Net cash used by operating activities	(163,465)	(31,889)	(386,426)	(255,496)
Net cash used by investing activities:				
Purchase of property and equipment	(40,367)	(8,520)	(51,393)	(14,525)

VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF CASH FLOWS

INCREASE (DECREASE) IN CASH
(Unaudited)

	THREE MONTHS ENDED MARCH 31,		NINE MONTHS ENDED MARCH 31,	
	1992	1991	1992	1991
Cash flows from operating activities;				
Proceeds from issuance of notes payable	210,000	32,500	430,000	230,000
Net cash provided by financing activities	210,000	32,500	430,000	230,000
Net increase (decrease) in cash	6,168	(7,909)	(7,819)	(40,021)
Cash at beginning of period	12,721	10,961	26,708	43,073
Cash at end of period	$ 18,889	3,052	18,889	3,052
Supplemental disclosure of cash flow information				
Cash paid during the period for:				
Interest	$ -	110	-	3,055

VERITEC INC.
(A Development Stage Enterprise)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE A - The accompanying unaudited financial statements contain, in the opinion of management, all adjustments which are necessary for a fair presentation of financial position as of March 31, 1992 and the results of operations for the three months ended March 31, 1992 and 1991.

NOTE B - The results of operations for the three months ended March 31, 1992 are not necessarily indicative of the results to be expected for the full year.

NOTE C - Earnings (loss) per share is based upon the weighted average number of shares of common stock outstanding.

VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Company's financial statements and the notes related thereto presented elsewhere herein. The discussion of results, causes and trends should not be construed to imply any conclusion that such results, causes or trends will necessarily continue.

The Company had no revenue in the three months ended March 31, 1992. There is sales activity with several potential customers but no orders in hand at May 14, 1992.

The decrease in Research and Development expenses for the quarter ended March 31, 1992 from the quarter ended March 31, 1991 is primarily attributable to the one time cost of software programming to accommodate the tie-in between Veritec's and potential customer equipment.

Increases in general and administrative and marketing costs are due to an increase in potential customer requests for information, applying the Vericode Symbol on their products, and consultant costs associated with these activities.

The Company is currently attempting to raise additional capital through a private placement of up to $1,200,000 principal amount of 10% convertible subordinated debentures. The Company, as of May 14, 1992, has received $970,000. There is no guarantee that additional amounts will be received from the Private Placement. Additional funds will be required by the Company from sale of products, borrowing, placement of the convertible debentures, private investment in the company, and license or joint venture agreements in order to continue operations.

VERITEC, INC.
(A Development Stage Enterprise)

PART II - OTHER INFORMATION

Item 1 - 5

Not applicable

Item 6

Exhibits and reports on Form 8-K

(a) Exhibits - none.

(b) Reports - none.

VERITEC, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VERITEC, INC.
(Registrant)

Date: May 14, 1997. By: Jack E. Dahl
Jack E. Dahl,
Chief Accounting Officer